

FIRST EXTRAORDINARY SESSION

HOUSE BILL NO. 5

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES WHITE (Sponsor), DAVIS, CRAWFORD, FLANIGAN,
SCHOELLER, LANT AND WIELAND (Co-sponsors).

0002L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 137.082, RSMo, and to enact in lieu thereof two new sections relating to property tax assessment reduction due to natural disasters, with an emergency clause.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 137.082, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 137.081 and 137.082, to read as follows:

137.081. 1. As used in this section, the following terms mean:

(1) "Commercial real property", any real estate other than real estate containing one to four residential units or real estate classified as agricultural and horticultural property for assessment purposes as provided by section 137.016. Commercial real property includes any unimproved real estate of any zoning classification, other than agricultural or horticultural real estate, purchased for development or subdivision. Commercial real property does not include single-family residential units, including condominiums, townhouses, or homes in a subdivision when such real estate is sold, leased, or otherwise conveyed on a unit-by-unit basis even though the units may be part of a larger building or parcel of real estate containing more than four residential units;

(2) "Natural disaster", any disaster due to natural causes such as tornado, fire, flood, or earthquake, or any other cause that is not attributable to any negligent action of the property owner.

2. Upon application of the property owner, the county assessor shall remove on a pro rata basis from the tax book for the current year any construction or improvements on the property owner's commercial real property destroyed by a natural disaster if such

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 property is unusable for commercial activity due to such destruction until reconstruction
18 of such destroyed property is substantially completed. For purposes of this section,
19 reconstruction of destroyed commercial property shall be deemed substantially completed
20 when such property qualifies for receipt of a certificate of substantial completion executed
21 by a registered and licensed architect or engineer, or a certificate of occupancy authorized
22 by law.

23 3. On or after the first day of July, the board of equalization shall perform such
24 duties. Any person claiming such destroyed property shall provide a list of such destroyed
25 property to the county assessor. The assessor shall make available a supply of appropriate
26 forms on which the claim shall be made. The assessor may verify all such destroyed
27 property listed to ensure that the person made a correct statement. Any person who
28 completes such a list and, with intent to defraud, includes property on the list that was not
29 destroyed by a natural disaster shall be assessed double the value of any property
30 fraudulently listed, in addition to any other penalties provided by law. The list shall be
31 filed by the assessor, after the assessor has provided a copy of the list to the county
32 collector and the board of equalization, in the office of the county clerk who, after entering
33 the filing thereof, shall preserve and safely keep them. The owner of the commercial
34 property shall notify the assessor when the real property is again being used for
35 commercial activity or when any new real property begins being used for commercial
36 activity. Failure to notify the assessor within thirty calendars days from the
37 commencement of commercial activity shall result in double the assessed valuation for the
38 property for the entire tax year.

39 4. Any political subdivision may recover all loss of revenue resulting from the
40 provisions of this section by adjusting the rate of taxation, to the extent previously
41 authorized by the voters of such political subdivision, for the tax year immediately
42 following the year of such destruction in an amount not to exceed the loss of revenue
43 caused by this section.

44 5. For the tax year beginning on January 1, 2011, this section shall become effective
45 immediately upon the adoption of this section by the governing body of any county or any
46 city not within a county and shall apply to such tax year. For all tax years beginning on
47 or after January 1, 2012, this section shall become effective on the first day of January of
48 the year following adoption of this section in any county or city not within a county in
49 which the governing body of such county or city adopts a proposal to implement the
50 provisions of this section.

137.082. 1. Notwithstanding the provisions of sections 137.075 and 137.080 to the
2 contrary, a building or other structure classified as residential property pursuant to section

3 137.016 newly constructed [and] **or** occupied on any parcel of real property shall be assessed and
4 taxed on such assessed valuation as of the first day of the month following the date of occupancy
5 for the proportionate part of the remaining year at the tax rates established for that year, in all
6 taxing jurisdictions located in the county adopting this section as provided in subsection 8 of this
7 section. Newly constructed residential property which has never been occupied shall not be
8 assessed as improved real property until such occupancy or the first day of January of the fourth
9 year following the year in which construction of the improvements was completed, **whichever**
10 **first occurs**. The provisions of this subsection shall apply in those counties including any city
11 not within a county in which the governing body has previously adopted or hereafter adopts the
12 provisions of this subsection.

13 2. The assessor may consider a property residentially occupied upon personal verification
14 or when any two of the following conditions have been met:

15 (1) An occupancy permit has been issued for the property;

16 (2) A deed transferring ownership from one party to another has been filed with the
17 recorder of deeds' office subsequent to the date of the first permanent utility service;

18 (3) A utility company providing service in the county has verified a transfer of service
19 for property from one party to another;

20 (4) The person or persons occupying the newly constructed property has registered a
21 change of address with any local, state or federal governmental office or agency.

22 3. In implementing the provisions of this section, the assessor may use occupancy
23 permits, building permits, warranty deeds, utility connection documents, including telephone
24 connections, or other official documents as may be necessary to discover the existence of newly
25 constructed properties. No utility company shall refuse to provide verification monthly to the
26 assessor of a utility connection to a newly occupied single family building or structure.

27 4. In the event that the assessment under subsections 1 and 2 of this section is not
28 completed until after the deadline for filing appeals in a given tax year, the owner of the newly
29 constructed property who is aggrieved by the assessment of the property may appeal this
30 assessment the following year to the county board of equalization in accordance with chapter 138
31 and may pay any taxes under protest in accordance with section 139.031; provided however, that
32 such payment under protest shall not be required as a condition of appealing to the county board
33 of equalization. The collector shall impound such protested taxes and shall not disburse such
34 taxes until resolution of the appeal.

35 5. The increase in assessed valuation resulting from the implementation of the provisions
36 of this section shall be considered new construction and improvements under the provisions of
37 this chapter.

38 6. In counties which adopt the provisions of subsections 1 to 7 of this section, an amount
39 not to exceed ten percent of all ad valorem property tax collections on newly constructed and
40 occupied residential property allocable to each taxing authority within counties of the first
41 classification having a population of nine hundred thousand or more, one-tenth of one percent
42 of all ad valorem property tax collections allocable to each taxing authority within all other
43 counties of the first classification and one-fifth of one percent of all ad valorem property tax
44 collections allocable to each taxing authority within counties of the second, third and fourth
45 classifications and any county of the first classification having a population of at least eighty-two
46 thousand inhabitants, but less than eighty-two thousand one hundred inhabitants, in addition to
47 the amount prescribed by section 137.720 shall be deposited into the assessment fund of the
48 county for collection costs.

49 7. For purposes of figuring the tax due on such newly constructed residential property,
50 the assessor or the board of equalization shall place the full amount of the assessed valuation on
51 the tax book upon the first day of the month following occupancy. Such assessed valuation shall
52 be taxed for each month of the year following such date at its new assessed valuation, and for
53 each month of the year preceding such date at its previous valuation. The percentage derived
54 from dividing the number of months at which the property is taxed at its new valuation by twelve
55 shall be applied to the total assessed valuation of the new construction and improvements, and
56 such product shall be included in the next year's base for the purposes of figuring the next year's
57 tax levy rollback. The untaxed percentage shall be considered as new construction and
58 improvements in the following year and shall be exempt from the rollback provisions.

59 8. Subsections 1 to 7 of this section shall be effective in those counties including any city
60 not within a county in which the governing body of such county elects to adopt a proposal to
61 implement the provisions of subsections 1 to 7 of this section. Such subsections shall become
62 effective in such county on the first day of January of the year following such election.

63 9. **(1)** In any county which adopts the provisions of subsections 1 to 7 of this section
64 prior to the first day of June in any year pursuant to subsection 8 of this section, the assessor of
65 such county shall, upon application of the property owner, remove on a pro rata basis from the
66 tax book for the current year any residential real property improvements destroyed by a natural
67 disaster if such property is unoccupied and uninhabitable due to such destruction **until**
68 **reconstruction of such destroyed property is substantially completed.** On or after the first
69 day of July, the board of equalization shall perform such duties. Any person claiming such
70 destroyed property shall provide a list of such destroyed property to the county assessor. The
71 assessor shall have available a supply of appropriate forms on which the claim shall be made.
72 The assessor may verify all such destroyed property listed to ensure that the person made a
73 correct statement. Any person who completes such a list and, with intent to defraud, includes

74 property on the list that was not destroyed by a natural disaster shall, in addition to any other
75 penalties provided by law, be assessed double the value of any property fraudulently listed. The
76 list shall be filed by the assessor, after he **or she** has provided a copy of the list to the county
77 collector and the board of equalization, in the office of the county clerk who, after entering the
78 filing thereof, shall preserve and safely keep them. If the assessor, subsequent to such
79 destruction, considers such property occupied as provided in subsection 2 of this section, the
80 assessor shall consider such property new construction and improvements and shall assess such
81 property accordingly as provided in subsection 1 of this section. For the purposes of this section,
82 the term "natural disaster" means any disaster due to natural causes such as tornado, fire, flood,
83 or earthquake.

84 **(2) For purposes of this subsection, reconstruction of destroyed residential property**
85 **shall be deemed substantially completed when such property qualifies for receipt of a**
86 **certificate of substantial completion executed by a registered and licensed architect or**
87 **engineer, or a certificate of occupancy authorized by law.**

88 10. Any political subdivision may recover the loss of revenue caused by subsection 9 of
89 this section by adjusting the rate of taxation, to the extent previously authorized by the voters of
90 such political subdivision, for the tax year immediately following the year of such destruction
91 in an amount not to exceed the loss of revenue caused by this section.

Section B. Because immediate action is necessary to provide tax relief as the result of
2 the recent natural disasters in this state, this act is deemed necessary for the immediate
3 preservation of the public health, welfare, peace, and safety, and is hereby declared to be an
4 emergency act within the meaning of the constitution, and this act shall be in full force and effect
5 upon its passage and approval.

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